

Message Text

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17

ACTION XMB-04

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03 SP-02

CIEP-01 OMB-01 L-03 H-02 /057 W

----- 025251

R 031106Z FEB 76

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 5882

INFO AMEMBASSY BONN

USMISSION EC BRUSSELS

AMEMTKASSY LONDON

AMEMBASSY PARIS

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PASS TO EX-IM BANK, USDOC

E.O. 11652: N/A

TAGS: EGEN, BEXP, PO

SUBJ: CNP PETROCHEMICAL PROJECT

REF: LISBON 0526, PARIS 01968

1. EMBASSY INFORMED BY LUMMUS REPRESENTATIVE JOHANNSEN OF DETAILS OF FRENCH OFFER TO PROVIDE FINANCING FOR CNP PETRO-CHEMICAL PROJECT. TOTAL CREDIT WOULD BE 200-250 MILLION FRENCH FRANCS; 15 PERCENT CASH PAYMENT, 5 PERCENT IMMEDIATELY AND ANOTHER 10 PERCENT OVER CONSTRUCTION PERIOD. OTHER 85 PERCENT REPAID OVER 10 YEARS AT 7.5 PERCENT PER ANNUM. UP TO 5 PERCENT OF TOTAL CREDIT PROBABLY WOULD BE APPLICABLE TO LOCAL COSTS.

2. ACCORDING TO LUMMUS, FRENCH HAVE AGREED TO PROVIDE 50 PERCENT OF TOTAL PROJECT FINANCING IF ANOTHER COUNTRY WOULD PROVIDE OTHER 50 PERCENT. REPORTEDLY, U.K. IS ONLY LUKEWARM BUT GERMANY ANXIOUS. GERMAN/FRENCH FINANCING WOULD MEAN CONSTRUCTION CONTRACT WOULD GO TO LINDE (GERMAN) AND LARGE MAJORITY OF

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ENGINEERING SERVICES AND PRODUCTS WOULD BE SOURCED FROM

GERMANY, U.S. OR U.K./FRENCH COMBINATION WOULD MEAN CONSTRUCTION BY LUMMUS AND RELATIVELY LARGER SHARE FOR FRANCE.

3. FINAL DETAILS OF FRENCH OFFER TO BE DETERMINED THIS WEEK AND DECISION ON PARTNER EXPECTED TO BE MADE IN LATE FEBRUARY WHEN EC MEETS TO DISCUSS PORTUGUESE PROJECTS.

4. EMBASSY HAS HEARD INDIRECTLY THAT EX-IM CONCERNED ABOUT TECHNICAL OR COMMERCIAL ASPECTS OF PROJECT. WOULD APPRECIATE CLARIFICATION.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Disposition Authority: morefirh
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Margaret P. Grafeld
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04 MAY 2006

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